

Independent Auditor's Review Report on Standalone Unaudited Quarterly and Half Yearly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF Prime Securities Limited

Introduction

- We have reviewed the accompanying statement of unaudited standalone financial results of Prime Securities Limited ("the Company") for the quarter and half year ended September 30, 2024 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

Scope of the Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Emphasis of matter

5. We draw attention to Note 4 to the statement read together with the Basis for Qualification para of predecessor Auditor's report dated April 25, 2024 for the Quarter ended March 31, 2024 which states that the management has recognised a reduction in fair value in investment amounting to INR 1,243 Lakhs in quarter ended March 31, 2024, but has not restated its financial information for the previous quarters ended September 30, 2023. Accordingly, the comparative information for the previous Quarter and Half year ended September 30, 2023 is not comparable to that extent.

Our opinion is not modified with respect to this emphasis of matter

Other Matters

- 6. The numbers and details pertaining to quarter and half year ended September 30, 2023, have been traced from the review report of the predecessor auditor who has issued a modified opinion vide his report dated October 30, 2023, in terms of Regulation 33 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 7. The numbers and details pertaining to year ended as at March 31, 2024 and notes related thereto in the statement have been traced from the Financial Statements of the Company audited by the predecessor auditor who has issued an unmodified audit report dated April 25, 2024.

Our report is not modified in respect of these other matters.

For Sharp & Tannan Associates

Chartered Accountants ICAI Firm Reg. No. 109983W By the hand of

Place: Mumbai

Date: October 22, 2024

Partner Membership No. 037457

UDIN: 24037457BKGEKA7060

 $Regd.\ Office: 1109/1110,\ Maker\ Chambers\ V,\ Nariman\ Point,\ Mumbai\ 400021\ (CIN:\ L67120MH1982PLC026724)$ $Tel:\ +91-22-61842525\ Fax:\ +91-22-24970777\ Website:\ www.primesec.com\ Email:\ prime@primesec.com$

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs. in Lakhs, unless otherwise stated)

			Quarter anded			(Rs. in Lakhs, unless other Half year ended	
Particulars		Quarter ended 30-Sep-24 30-Jun-24 30-Sep-23			30-Sep-24	30-Sep-23	Year ended 31-Mar-24
	i ui ticului 3		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)
I	Revenue from Operations	(Unaudited)	()	((()	(11001000)
	Fee and commission income	2,393	802	853	3,195	1,392	3,090
II	Other Income						•
	i) Interest income	53	61	50	114	123	255
	ii) Dividend income	0	101	0	101	0	0
	iii) Net gain on fair value changes						
	- Realised	29	43	2	72	4	8
	- Unrealised	158	367	-	525	-	12
	iv) Others	_	-	-	_	0	0
	Total Other Income	240	572	52	812	127	275
Ш	Total income (I+II)	2,633	1,374	905	4,007	1,519	3,365
	Expenses	,			ŕ		,
	i) Finance cost	2	6	16	8	33	49
	ii) Fee and commission expense	100	_	-	100	30	183
	iii) Net loss on fair value changes						
	- Unrealised	_	_	1	_	16	-
	iv) Impairment on financial instruments	76	59	(26)	135	(29)	34
	v) Employee benefit expenses	630	482	468	1,112	732	1,378
	vi) Depreciation and amortisation expense	24	22	22	46	40	82
	vii) Other expenses	67	131	217	198	376	623
IV	Total expenses	899	700	698	1,599	1,198	2,349
V	Profit before exceptional items and tax (III-IV)	1,734	674	207	2,408	321	1,016
VI	Exceptional items (net)	-	368	-	368	-	_
VII	Profit / (loss) before tax (V) + (VI)	1,734	1,042	207	2,776	321	1,016
VIII	Tax expenses / (credits)	,	,		,		,
	- Current tax charge / (credit)	314	190	29	504	51	183
	- Impact on deferred tax liability due to change in	(316)	_	-	(316)	-	_
	tax rate				()		
	- Deferred tax liability on temporary differences	50	38	(28)	88	(30)	(29)
IX	Profit / (loss) after tax (VII-VIII)	1,686	814	206	2,500	300	862
X	Other comprehensive income						
	a) I) Items that will not be reclassified to profit or						
	loss						
	(a) Remeasurement of defined employee	(8)	(16)	(13)	(24)	(16)	(11)
	benefit plans (b) Porrespondent poin / (loss) on foin	407			407		1 200
	(b) Remeasurement gain / (loss) on fair valuation of investments in equity	497	-	-	497	-	1,396
	instruments						
	II) Income tax relating to items that will not be	(70)	5	4	(65)	5	(322)
	reclassified to profit or loss						
	b) I) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	II) Income tax relating to items that will be	-	-	-	-	-	-
	reclassified to profit or loss		**				
X77	Other comprehensive income (a+b)	419	(11)	(9)	408	(11)	1,063
XI	Total comprehensive income for the quarter / year	2,105	803	197	2,908	289	1,925
	$(\mathbf{IX} + \mathbf{X})$						
XII		1,677	1,677	1,644	1,677	1,644	1,664
	each)						11 0/1
VIII	ii) Other equity Formings / (loss) per equity share						11,961
AIII	Earnings / (loss) per equity share						
	(Rs. not annualised for the quarters and year ended)	# 0.c	2.44	0.60		0.00	
	- Basic (amount in Rs.)	5.03	2.44	0.63	7.47	0.92	2.63
	- Diluted (amount in Rs.)	4.88	2.37	0.60	7.24	0.88	2.52

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STANDALONE STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

		(Ito	<u> </u>	As at	
Particulars		As at	As at 31-Mar-24		
			30-Sep-24		
	<u> </u>	9	(Unaudited)	(Audited)	
l	SET				
I.		ancial assets			
	a)	Cash and cash equivalents	68	75	
		Bank balance other than (a) above	1,718	1,970	
	c)	Receivables			
		(i) Trade receivables	1,046	1,230	
		(ii) Other receivables	2	431	
	d)	Loans	33	555	
	e)	Investments	14,924	10,453	
	f)	Other financial assets	40	41	
			17,831	14,755	
II.	No	n-financial assets			
	a)	Current tax assets (net)	269	442	
	b)	Property, plant and equipment	113	153	
	c)	Other intangible assets	7	9	
		Other non-financial assets	34	44	
			423	648	
		TOTAL ASSETS	18,254	15,403	
I.		Payables Trade payables			
		 Total outstanding dues of micro enterprises and small enterprises 	-	-	
		Total outstanding dues of creditors other than micro enterprises and small enterprises	322	102	
	b)	Borrowings	-	194	
	c)	Other financial liabilities	735	568	
			1,057	864	
II.	No	n-financial liabilities			
	a)	Provisions	253	207	
	b)	Deferred tax liabilities (net)	480	643	
	c)	Other non-financial liabilities	176	64	
			909	914	
Ш	Eq	uity			
	a)	Equity share capital	1,677	1,664	
	b)	Other equity	14,611	11,961	
	•		16,288	13,625	
		TOTAL LIABILITIES AND EQUITY	18,254	15,403	

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STANDALONE STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs. in Lakhs, unless otherwise stated)

Particulars	Half year ended	Half waar and ad	
raruculars	·	Half year ended	
Cash flow from operating activities:	30-Sep-24	30-Sep-23	
Profit before tax	2,408	321	
Adjustments for:	2,400	321	
1 9	16	40	
Depreciation and amortisation expense Unrealised (gain)/ loss on foreign currency translations (net)	46	40 0	
Changes in fair valuation of investment (net)	(525)	16	
Gain on sale of investments (net)	(72)	(4)	
Interest expense	4	26	
Interest income on deposits	(62)	(99)	
Dividend income	(101)	(0)	
Recovery of bad bebts	-	(28)	
Impairment of financial assets	(101)	(102)	
Operating profit before working capital changes	1,597	170	
Adjustments for changes in working capital:			
(Decrease) / Increase in provisions	45	29	
Increase / (Decrease) in trade payables	221		
		(0)	
Increase/ (Decrease) in other financial liabilities	166	(10)	
Increase/ (Decrease) in other non-financial liabilities	112	113	
(Increase)/ Decrease in other financial assets	1	(108)	
(Increase)/ Decrease in other receivables	429	47	
Decrease/ (Increase) in trade receivables	185	(373)	
Decrease/ (Increase) in other non-financial assets	11	84	
(Increase)/ Decrease in Loans	521	(400)	
Total changes in working capital	1,691	(618)	
Cash generated from operations	3,288	(448)	
Taxes paid, net of refunds	(332)	(55)	
Net cash generated from /(used in) operating activities (A)	2,956	(503)	
Cash flow from investing activities:			
Purchase of property, plant and equipments including capital work-in-progress	(5)	(10)	
Proceeds from sale / disposal of property, plant and equipments	368	0	
Purchase of Investments	(3,377)	(1,528)	
Proceeds from sale / redemption of investments	(3,377)	73	
Decrease/ (Increase) in other bank balances	(12)	-	
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	264	2,088	
Interest income	62	99	
Dividend received	101	0	
Net cash generated from /(used in) investing activities (B)	(2,599)	722	
	(=,2,2,7)	,	
Cash flow from financing activities:			
Proceeds from issuance of Share capital	169	280	
Borrowings repaid during the year to related party	(194)	(2)	
Interest paid	(4)	(26)	
Payment of Dividend to shareholders	(335)	(162)	
Net cash generated from /(used in) financing activities (C)	(364)	90	
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(7)	309	
Cash and cash equivalents at the beginning of the period	75	64	
Cash and cash equivalents at the end of the period	68	373	
Total	(7)	309	
A V ****	(7)	307	

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STANDALONE STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs. in Lakhs, unless otherwise stated)

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Particulars		Half year ended	Half year ended	
		30-Sep-24	30-Sep-23	
Notes:				
1) Cash and cash equivalents comprise of				
Cash on hand		1	0	
Balances with banks				
In current account		67	373	
Cash and cash equivalents at the end of the period		68	373	

Notes:

The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

Figures in brackets indicate cash outflows

Standalone Notes:

- The above standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standard) Rules, 2015 ("Ind-AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The standalone financial results were reviewed by Audit Committee and approved by the Board of Directors at its Meeting held on October 22, 2024. The results for the quarter & half year ended September 30, 2024, have been reviewed by the statutory auditors of the company and they have expressed an unmodified audit conclusion on these financial results.
- The Company had acquired a residential flat in settlement of an amount due from one of its debtors in the year 1992. Cost of flat was appearing in the books as receivables, as the title to the flat had not been passed on to the Company due to multiple litigations in the past. Pursuant to the order passed by the Hon'ble Bombay High Court in October 2023, the Company received possession of the flat, the Society completed the transfer of the flat in the Company's name and the said flat was sold by the Company during the quarter ended June 30, 2024. The net gain, calculated on the basis of realisation of sale price as reduced by the cost of flat appearing as receivable, related directly allocatable expenses is shown under the exceptional item.
- 3 Pursuant to the amendment approved by the shareholders at their meeting held on June 13, 2023, to the object clause for the utilization of funds received against the issue of equity shares in November 2021 to specified investors on a preferential basis, the Company have utilised part of the proceeds in terms of the permitted objects and the balance unutilized proceeds have been invested in the fixed deposits with bank pending utilisation in terms of the objects of the issue.
- In respect of the investment in an entity engaged in online gaming platform service business, which was measured at "fair value through other comprehensive income", the Company had recognised a reduction in fair value of the investment amounting to INR 1,243 lakhs in the quarter ended March 31, 2024. The gaming industry was impacted by regulatory changes with effect from October 1, 2023, which indicated possible changes in the fair value of the investment. However, since the changes were effective October 1, 2023, adequate data, such as consumer reaction and the legal status of demands for the previous years, were not available for appropriate evaluation and hence its impact on the fair valuation was unascertainable to that extent. The Company had not made any adjustment in the financial information for the preceding quarters ended September 30, 2023 and December 31, 2023 in absence of an updated fair valuation exercise carried out as at respective reporting dates. In view of the same, the independent auditors were unable to comment on the impact of the aforesaid matter on the financial information and accordingly, their audit report for the quarter ended March 31, 2024 was qualified in respect of the impact of the fair value change in the quarter ended March 31, 2024 and earlier quarters ended September 30, 2023 and December 31, 2023.
- 5 The Company has only one segment of business i.e. Financial Advisory and Intermediation services. There are no separate reportable segments in terms of Ind-AS 108.
- 6 The amounts reflected as "0" in the financial information are values with less than rupees one lakh.
- 7 Previous quarter and period / year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter / period presentation, the impact of such restatements / regroupings are not material to Financial Statements.

For Prime Securities Limited

JAYAKUMAR NARAYANSW AMI

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N. Jayakumar Managing Director & Group CEO (DIN: 00046048)

Mumbai October 22, 2024